STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Ameren Transmission Company of Illinois	:	
Petition for a Certificate of Public Convenience and Necessity, pursuant to Section 8-406.1 of the Illinois Public Utilities Act, to Construct, Operate and Maintain an New High Voltage Electric Service Line and Related Facilities in the Counties of Adams, Brown, Cass, Champaign, Christian, Clark, Coles, Edgar, Fulton, Macon, Montgomery, Morgan, Moultrie, Pike, Sangamon, Schuyler, Scott and Shelby, Illinois.	:	Docket No. 12-0598 (Rehearing)

REPLY BRIEF ON REHEARING OF THE STAFF OF THE ILLINOIS COMMERCE COMMISSION

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Table of Contents

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The Staff ("Staff") of the Illinois Commerce Commission ("Commission" or "ICC"), by and through its counsel, and pursuant to Section 200.800 of the Commission's Rules of Practice (83 Ill. Adm. Code 200.800.), respectfully submits this Reply Brief on Rehearing in the above-captioned matter.

I. Introduction

This matter comes before the Commission on rehearing from its August 20, 2013 Final Order in the proceeding. On September 18, 2013 the Commission granted Andrew and Stacy Robinette's (Robinette's) Application for Rehearing, and on October 2, 2013 granted Applications for Rehearing filed by the Ameren Transmission Company of Illinois (ATXI), the Coalition of Property Owners and Interested Parties in Piatt, Douglas and Moultrie Counties (PDM) and Channon Family Trust (CFT), the Morgan,

Sangamon, and Scott Counties Land Preservation Group (MSSCLPG), and the Midcontinent Independent System Operator, Inc. (MISO). Thereafter various parties submitted testimony, an evidentiary hearing was held on December 17-19, 2013.

The following filed initial briefs on rehearing in this proceeding: ATXI; Louise Brock-Jones Limited Partnership ("Brock-Jones"); Paula Cooley; Edward Corley and Edward Corley Trust ("Corley"); Moultrie County Property Owners ("MCPO"); Midcontinent Independent System Operator, Inc. ("MISO"); Morgan, Sangamon, and Scott Counties Land Preservation Group ("MSSCLPG"); Coalition of Property Owners and Interested Parties in Piatt, Douglas, and Moultrie Counties along with Channon Trust (together, "PDM/CFT"); Justin Ramey and Ann Raynolds ("Raynolds/Ramey"); Eric and Julia Sprague ("Sprague"); and Staff. Disagreements remain regarding the routing for ATXI's proposed transmission line for segments between Meredosia and Kansas and Staff and ATXI continue to disagree about the need for new substations at Ipava and Pana.

II. Legal Standard

The legal standard for the rehearing is found in Section 8-406.1(f) of the Public Utilities Act ("PUA" or "Act"), included below:

> The Commission shall, after notice and hearing, grant a certificate of public convenience and necessity filed in accordance with the requirements of this Section if, based upon the application filed with the Commission and the evidentiary record, it finds the Project will promote the public convenience and necessity and that all of the following criteria are satisfied:
> (1) That the Project is necessary to provide adequate, reliable, and efficient service to the public utility's customers and is the least-cost means of satisfying the service needs of the public utility's customers or that the Project will promote the development of an effectively competitive electricity market

> that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives.

220 ILCS 5/8-406.1(f).

Based upon this standard, the Commission must determine whether ATXI's petition and the evidentiary record identifies the least-cost means of satisfying the service needs of the public utility's customers or is the least cost means of promoting the development of an effectively competitive electricity market that operates efficiently. Thus, the only basis upon which the Commission may grant a certificate of public convenience and necessity that includes routing and substations for each of the segments of ATXI's Illinois Rivers Project is if the Commission finds ATXI's proposals, including its proposed transmission line routing from Pawnee to Mt. Zion, to be least cost. The Commission should not approve ATXI's proposals over those of Staff and interveners for any other reason, including as a response to ATXI's claim that it is urgent to provide voltage support for the Decatur area, since all of the proposals currently under consideration would provide timely voltage support for the Decatur area. Most proposals, including ATXI's, will require a separate petition and proceeding to authorize AIC to construct additional 138 kV transmission lines before voltage support for the Decatur area can occur. Only Staff's proposal to install a 345/138 kV substation at a site west of Moweaqua would provide immediate voltage support from ATXI's Illinois Rivers Project to the Decatur area by utilizing an existing AIC 138 kV transmission line.

III. Project Connection Through Kincaid versus Pana

ATXI claims that use of a Kincaid connection would not address the same service needs as a Pana connection. (ATXI IB, 4.) One of the needs to which ATXI

refers is the alleged need for AIC to relocate its existing transmission equipment at Pana Substation due to mining subsidence. Id. at 10-11. By proposing this unnecessary relocation, ATXI attempts to demonstrate that routing its proposed transmission line through Pana and using MISO-wide cost-sharing would result in AIC's customers bearing less cost than they would bear if the Kincaid alternative that Staff proposes were used and AIC separately relocated its Pana Substation. Id. This is disingenuous, however; in its December 27, 2012 response to Staff DR 2.14, ATXI indicated to Staff that it knew nothing whatever about AIC's equipment at Pana. (Staff Ex. 3.0, Attachment A.) Specifically, ATXI indicated it had no knowledge about the affects of mining subsidence on AIC's facilities at Pawnee and Pana. Further, ATXI's November 27, 2013 response to Staff DR 12.04 states ATXI still has no knowledge of AIC's facilities at Pana, and that no updates to ATXI's response to Staff DR 2.14 are necessary, but nonetheless, that AIC's relocation costs would be eligible for MVP cost recovery if ATXI's Pana substation is included in the MVP. (Staff Cross Ex. 1, ATXI's response to Staff DR 12.04.) Subsequently, on December 10, 2013, ATXI revised its response to Staff DR 2.14 to state that AIC intends to relocate all functions of its substations at Pawnee and Pana. (Staff Cross Ex. 1, ATXI's revised response to Staff DR 2.14.)

This sequence of events is remarkable because: (1) ATXI's witnesses testifying about mining subsidence are employed by Ameren Services; (2) Ameren Services plans and designs the transmission facilities for both AIC and ATXI (Staff Ex. 1.0, Attachment F); and (3) mining subsidence is not even occurring at AIC's Pana Substation and has not been the cause of any known problems at AIC's Pana Substation. (ATXI Ex.

9.0(RH), 3-4.) In other words, until rehearing, ATXI's witnesses knew of no need for AIC, or any plan by AIC, to relocate its equipment from the existing Pana Substation site to the new Pana substation site that ATXI proposes. During rehearing, ATXI learns it needs the "savings" due to MISO cost-sharing to show how constructing a route through Pana instead of Kincaid could cost AIC's customers less.

However, ATXI's attempt to find "savings" to ratepayers is without merit. Elimination of unnecessary costs from the Illinois Rivers Project, as Staff suggests, is far superior to sharing those unnecessary costs with ratepayers throughout the MISO footprint. Staff's proposal of a connection via Kincaid entirely eliminates concerns about constructing a new substation in the area of mining subsidence by eliminating ATXI's need to construct a substation at Pana. Thus ATXI's alleged "savings" do not exist because relocation of AIC's transmission facilities at Pana Substation is entirely unnecessary. Mining subsidence has not been detected at Pana Substation site for the entire 40 plus years of its existence. (Staff IB, 3; ATXI Ex. 9.0(RH), 3-4.) ATXI cannot credibly claim that AIC should relocate its transmission facilities at this time, though there is no reason to do so, simply because costs for the relocation would be shared throughout MISO. Id.

ATXI next argues that Staff, in suggesting a connection through Kincaid rather than through Pana, views the "service needs" of the Project narrowly. (ATXI IB, 5.) This suggestion by ATXI is incredible on its face because Staff's proposed connection through Kincaid could provide significant additional benefits beyond those of a Pana connection by alleviating ATXI's expressed concerns about bulk power transfers

through Kincaid, while simultaneously providing the benefits contemplated by MISO Multi-Value Projects #10 and #11 at a lower overall cost. (Staff IB, 3.)

ATXI stresses the urgency of providing additional voltage support to the Decatur area for reliability reasons. ATXI goes so far as to claim that it has shown and no one disputes that the Decatur area is likely to experience voltage problems if no actions are taken to resolve the anticipated problems by 2016. (ATXI IB, 2.) It is not, however, clear that voltage problems in the Decatur area during 2016 are "likely" - even if ATXI's project were not constructed at all. The results of ATXI's power flow studies show that low voltage might exist in the Decatur area during 2016 under the unlikely scenario that: (a) both of AIC's existing 345 kV sources that supply the Decatur area are simultaneously out-of-service during 2016, under 2021 summer peak loading levels, and (b) no alternative source for AIC's 138 kV system in the Decatur area is available. (ATXI 2.13, 2; Tr. 108-121.) This scenario, while not impossible, is far from likely. There is no dispute that proper transmission planning should consider this double-contingency scenario. However, while the potential for low voltage in the Decatur area even under unlikely scenarios should be addressed, the Commission need not, and should not, fall prey to ATXI's tactic of making it appear that the entire Decatur area is destined to go dark if ATXI does not get its way and construct its transmission line from Pana to Mt. Zion by 2016. It will not. The Commission has several options before it that would keep lights on in the Decatur area – even under unlikely scenarios such as the loss of both of AIC's 345/138 kV transformers at the Oreana Substation.

As noted, ATXI expresses concern that routing the Pawnee to Mt. Zion segment through Kincaid rather than through Pana would cause a delay in the voltage support to

the Decatur area that the Illinois Rivers Project is intended to offer, and thus, ultimately a Kincaid connection would deprive customers of the Project's benefits. (ATXI IB, 6-7.) ATXI errs in making this statement, as it ignores the fact that the connection from Mt. Zion to Kansas and use of the Mt. Zion area substation site near Moweaqua that Staff identified would provide immediate voltage support to the Decatur area via an existing AIC 138 kV transmission line. (Staff IB, 4.) ATXI also errs when stating that the Moweaqua substation site that Staff identified is electrically inferior as compared to ATXI's original proposal or the Staff substation site Option #2 agreed to by ATXI and the Village of Mt. Zion. (ATXI IB, 8.) ATXI's power flow studies indicate that while the post-contingency voltages in the Decatur area would be lower using the substation site near Moweaqua that Staff identified than if any of the other three sites that ATXI and/or Staff identified were used, the voltage provided by this Moweaqua site would still be adequate to support the Decatur area. Importantly, the substation site near Moweaqua that Staff identified provides several electrical advantages not offered by any of the other sites: (1) AIC has an existing 138 kV line extending north from this location to the Decatur area, so that AIC would not need to without delay petition the Commission for a CPCN to construct 138 kV transmission lines from the Mt. Zion substation site to the Decatur area; (2) AIC could extend a 138 kV line from its existing substation north of Moweaqua, near Hwy 51, to provide additional support to the Decatur area, if needed; (3) AIC's existing 138 kV transmission line that runs south from this substation site extends to AIC's existing 345/138 kV substation in Pana, so that the same 345/138 kV substation that provides support for the Decatur area would also provide support for the Pana area; and (4) AIC's 138 kV transmission line that extends south to Pana from the

substation site near Moweaqua that Staff identified could, at some future date, be converted to a 345 kV line, minimizing impacts to all property owners along ATXI's Primary Route previously submitted for the Pana to Mt. Zion segment. (Staff IB, 9-11.)

When arguing against a connection through Kincaid, ATXI next expresses concern about having to work with ComEd and PJM, and difficult access to the existing Kincaid Substation, mentioning a "factory" (in fact, a coal-fired power plant) and possible difficulty in locating new structures. (ATXI IB, 9.) While it is true that substation facilities at Kincaid might need to be modified, several options for modification at Kincaid exist (Staff Ex. 4.0, 3-4), and well-thought-out modifications at Kincaid could lead to the elimination of existing operating concerns associated with the existing Kincaid Substation while simultaneously achieving the benefits associated with MISO's Multi-Value Projects at lower cost. (Staff Ex. 3.0, 5-6.) The record does not indicate how costs for Kincaid modifications/upgrades that improve transmission system operations for two RTOs (MISO and PJM) and three utilities (ATXI, AIC, and ComEd) would be allocated. Id. at 11.

Finally, ATXI states that its analysis shows that a connection at Pana would improve the stability of the Coffeen plant by approximately 10% as compared to the Kincaid connection, which ATXI states its analysis shows would not improve the stability at Coffeen. (ATXI IB, 9-10.) ATXI's analysis did not use the substation site that Staff identified near Moweaqua, which would provide a tie to the Coffeen plant via AIC's existing substation at Pana, and could easily improve stability for the Coffeen plant and provide a future 345 kV connection to Pana. (Staff Ex. 2.0, 10; Staff Ex. 3.0, 9.)

In summary, ATXI has made it clear that it does not want the Commission to further consider using a routing option from Pawnee to Mt. Zion that passes through Kincaid. However, none of ATXI's reasons for opposing a route through Kincaid withstand scrutiny. ATXI complains that a study of a routing through Kincaid would require working with ComEd and PJM, and since the necessary studies are not yet complete, constructing the 345 kV line through Kincaid cannot be completed as quickly as routing through Pana. Staff has pointed out how modifying the schedule illustrated on ATXI Ex. 2.4, so that the Mt. Zion to Kansas segment is constructed earlier, would eliminate this concern. ATXI complains that routing through Kincaid does not provide the same benefits that a route through Pana would offer. It is clear, however, that routing through Kincaid would offer many additional benefits compared to routing through Pana, including avoiding a need for ATXI to construct a new substation at Pana. (Staff IB, 3.) In addition, if ATXI uses the substation site near Moweaqua that Staff identified, an existing AIC 138 kV transmission line would immediately provide voltage support to both the Decatur area and simultaneously could improve stability at the Coffeen power plant.

For its part, MISO is primarily concerned that using a connection through Kincaid, rather than through Pana, would create a gap and delay in the transmission line. It points out "...without a contiguous transmission system, reliable and efficient service cannot be provided." (MISO IB, 4.) It does not appear, however, that any party participating in the rehearing, including Staff, is suggesting that the Commission order ATXI to build a 345 kV line with a permanent gap in it. Attachment J to Staff Ex. 1.0 illustrates that MISO has many Multi-Value Projects within its Multi-Value Project

Portfolio, including the four that make up ATXI's Illinois Rivers Project. ATXI Ex. 2.4 shows that ATXI's plan is to construct some segments of the Illinois Rivers Project sooner than others. For example, ATXI Ex. 2.4 shows the segment from Pawnee to Pana for 2018, the segment from Pana to Mt. Zion for 2016, the segment from Mt. Zion to Kansas for 2018, and the segment from Kansas to Sugar Creek is scheduled for 2019. (ATXI Ex. 2.4.)

In other words, ATXI chose to include four separate Multi-value Projects within one petition/filing, even though planned completion dates for the various segments differ by, in some instances, several years. In rehearing, ATXI suggests that use of routing through Kincaid rather than through Pana would require additional studies so that construction using that route might not occur until 2018. (ATXI IB, 7-9.) However, based upon ATXI Ex. 2.4, ATXI plans for multiple gaps in its proposed transmission line across Illinois to exist until 2018, including Pawnee to Pana and Mt. Zion to Kansas. If ATXI needs time to work with ComEd and PJM in order to execute a connection through Kincaid, ATXI can change the schedule as presented on ATXI Ex. 2.4 so that the Mt. Zion to Kansas segment is constructed prior to the Kincaid to Mt. Zion segment. (Staff Ex. 3.0, 8.) A Kincaid connection would still provide a contiguous transmission line across Illinois and would provide timely voltage support to the Decatur area.

If the substation site Option #3 near Moweaqua that Staff identified is used, the Decatur area would receive voltage support immediately while AIC plans and designs additional 138 kV transmission connecting lines.[1] (Staff IB, 9.) If any of the other Mt. Zion substation sites is used, AIC must file a petition seeking a CPCN to gain approval

[1] In a footnote 2 on page 8 of its IB, ATXI dismisses Staff's substation site Option #3, but ATXI's power flow studies associated with this dismissal are unreliable. (Staff IB, 9-11.)

for and construct connecting 138 kV lines before any benefit from ATXI's line is realized in the Decatur area. (ATXI Ex. 9.0(RH), 2-3.) MISO need not be concerned regarding routing through Kincaid causing discontinuity or delay in ATXI's project.

Since Section 8-406.1 requires that the least cost means be used, and since without AIC's Pana Substation relocation, ATXI's own cost estimates show that a connection through Kincaid would be about $80 million lower in cost than a connection through Pana, the Commission should not approve a connection through Pana with this proceeding.[2] (ATXI Ex. 1.6(RH); Staff Ex. 3.0, 10-11.) Accordingly, the Commission should either: (1) approve a connection from Pawnee to Mt. Zion through Kincaid, or (2) approve no route for the Pawnee to Mt. Zion segments as part of this proceeding, as in its August 20, 2013, Final Order.

IV. Rehearing Routes

A. Meredosia-Pawnee

ATXI continues to prefer its Alternate Route over the alternative route that Morgan and Sangamon Counties Landowners and Tenant Farmers proposed in the initial hearing ("MSCLTF Route" or "MSSCLPG Route"). The sole reason for ATXI's preference is that the MSSCLPG route parallels an existing AIC 138 kV line for much of its length. (ATXI IB, 13-14.) ATXI states that MSSCLPG provided no new evidence on rehearing that warrants reversal of the Commission's previous approval of ATXI's Alternate Route. (ATXI IB, 14.) This statement is incorrect: MSSCLPG Ex. 11.1 and MSSCLPG Ex. 11.2 show that ATXI's Alternate Route would impact a much greater number of structures, including residences, than would the MSSCLPG Route.

[2] ATXI Ex. 1.6(RH): $202.9 million – ($157.5 million - $32.9 million) = $78.3 million.

MSSCLPG Ex. 11.0 identifies a future development area between Thayer and Virden that would be impacted by ATXI's Alternate Route. (MSSCLPG Ex. 11.0, 5.)

Interestingly, for about 5.5 miles heading east from Meredosia, ATXI's Alternate Route for this segment parallels the exact same AIC 138 kV line as does the MSSCLPG Route.[3] (ATXI Ex. 4.2, Part 34, 2-3.) Also, ATXI's Primary Route for this segment parallels the exact same AIC 138 kV transmission line as the MSSLPG Route for more than 15 miles between Meredosia and Pawnee. (ATXI Ex. 4.2, Parts 26-33.) In other words, both of ATXI's own route proposals parallel the same AIC 138 kV line as the MSSCLPG Route, but ATXI objects to the fact that the MSSCLPG Route parallels the AIC 138 kV transmission line for a greater distance.

This objection is difficult to support or rationalize. If a future catastrophic event, such as a tornado or crashing airplane, occurs along the route between Meredosia and Pawnee, the event could just as readily occur where ATXI's Alternate Route or ATXI's Primary Route parallel AIC's 138 kV transmission line as where the MSSCLPG Route parallels AIC's 138 kV transmission line. North American Electric Reliability Corporation (NERC) Standards treat parallel lines (not on common structures) the same as non-parallel lines, meaning the same types of contingencies must be considered whether the lines are in parallel or not. (ATXI Ex. 9.0(RH), 8.) When comparing the MSSCLPG Route and ATXI's Alternate route, there appears to be no reason for the Commission to order ATXI to use its Alternate Route that adds over $36 million in costs and 21 miles of unnecessary exposure, maintenance and impacts, and that enjoys the support of fewer

[3] ATXI's IB at 20 identifies the distance of paralleling as four miles, but ATXI Ex. 4.2 shows a distance of approximately 5.5 miles.

parties.[4] (Staff IB, 6-8.) The Commission should approve the MSSCLPG Route for the Meredosia to Pawnee segment: it is far superior to ATXI's Alternate Route.

B. Location of Mt. Zion Substation

ATXI states that the Commission should approve Staff's substation Option #2. (ATXI IB 20-21.) The Option #2 site would work well as a substation site for the Decatur area, but a substation site near Moweaqua, identified as Option #3 in conjunction with Staff's alternate route between Pawnee and Mt. Zion through Kincaid (Staff Ex. 2.0, Attachment A), remains preferable. Even if the Commission grants ATXI a certificate of public convenience and necessity in this proceeding to construct its proposed 345 kV transmission line from Pawnee to Pana, which Staff does not recommend it do, the Commission should order ATXI to use Staff's substation Option #3. Use of Staff's substation Option #2, rather than Staff's substation Option #3, would require AIC to immediately construct connecting 138 kV lines to the Decatur/Mt. Zion area in order for ATXI's 345 kV transmission line to provide any benefits to that area.

In contrast, Staff's substation Option #3 would provide immediate voltage support to the Decatur area via an existing AIC 138 kV transmission line.[5] (Staff IB, 4.) Given the unknowns associated with any petition for a certificate of public convenience and necessity, and though Ameren Services personnel under Mr. Hackman's supervision already have engaged in planning for, and the preliminary design of, connections to the ATXI Mt. Zion substation, it is difficult to share ATXI's confidence that AIC can complete its 138 kV connecting transmission lines from whatever Mt. Zion Substation location is

[4] ATXI's IB at 17 shows the difference in route length is 18.3 miles, whereas Table 1 on page 7 of ATXI Ex. 3.0(RH) shows the difference in route length to be 21 miles.

[5] Staff Cross Ex. 2. Attachment 7 and Attachment 6 to ATXI's response to Staff DR 13.08 are power flow study results that illustrate 138 kV voltages in the Decatur area using 2021 loading assumptions. This exhibit shows that voltage support would further improve once ATXI completes its 345 kV tie to Kincaid and AIC installs an additional 138 kV tie to the PPG Substation.

ultimately chosen to the Decatur area prior to 2016. (ATXI Ex. 9.0(RH), 2-3.) For these reasons, substation site Option #3 remains the best option.

MCPO opines that it is unlikely that Staff Option #3 for the Mt. Zion substation would be sufficient to address low voltage in the northeastern portion of Decatur because such a location would place the new 345 kV transmission source too far away to address the low voltage issue. (MCPO IB, 8.) MCPO is incorrect in this regard. Under the double contingency scenario loss of both 345/138 kV transformers at Oreana, installing additional 138 kV lines to the PPG plant substation site in Mt. Zion from the Moweaqua substation site would improve voltages in the Decatur area compared to using only the existing AIC 138 kV line, and using lower impedance conductor, as necessary, could improve voltage even more.[6] (Tr. 120; Staff Cross Ex. 2; Staff Cross Ex. 3.) Assuming only a 345 kV connection from Kansas to the substation site near Moweaqua that Staff identified and AIC's existing 138 kV line to the Decatur area, 138 kV voltages remain above 90% in the Decatur area following the loss of both existing 345/138 kV transformers at Oreana under 2021 summer peak loading conditions. Staff has never suggested that AIC should not install additional 138 kV transmission lines to connect the Decatur area to ATXI's 345 kV line. Using the substation site Option #3 that Staff identified, the addition by AIC of 138 kV transmission lines to its PPG Substation would become less urgent than if any of the other suggested sites were used. (Staff Cross Ex. 2, ATXI's response to Staff DR 13.08, Attachment 7.)

C. Pawnee-Mt. Zion

1. Pawnee – Mt. Zion via Kincaid

[6] Staff Cross Ex. 3 and ATXI Ex. 11.1 illustrate how reducing impedance or increasing the number of 138 kV transmission lines would improve voltage in the Decatur area if supplied from a substation 30 miles away. The substation site near Moweaqua that Staff identified would be only about half that distance.

ATXI states that the Commission should not consider the Kincaid route because it does not address the services needs of Decatur and elsewhere. (ATXI IB, 23.) ATXI is flatly wrong in this assertion. An alternative route from Pawnee to Mt. Zion through Kincaid would be significantly shorter, reduce the project's cost, and impact less land. Constructing ATXI's new 345 kV transmission line from Kincaid to supply the Decatur area, instead of from Pana, is the most rational, cost-effective solution. (Staff Ex. 2.0, 7-8.)

ATXI points out that it is possible information may be presented that Staff's proposed route is not ideal or viable. (ATXI IB, 23.) Furthermore, ATXI states that no environmental assessment has been performed for the route that Staff identified, and it is unknown how many residences are in proximity to it. Id. ATXI's statements intended to weigh against use of a route through Kincaid are without merit. Landowners along the alternative route through Kincaid were notified following Staff's alternative route filing, and intervening parties have since had an opportunity to file rebuttal and surrebuttal testimony in response to the route that Staff identified.

There appears, in fact, to be only one party along the route that intervened and participated in the proceeding: Macon County Conservation District (MCCD). In hearing on November 19, 2013, MCCD pointed out that its property could not be condemned or sold. However, ATXI would not need to cross the property that MCCD owns in order to use the alternative route that Staff identified, so the route that Staff identified remains viable. (Staff IB, 13-14.) ATXI appears to agree with Staff's conclusion in this regard. (ATXI IB, 32.) Ultimately, ATXI's objection to Staff's alternative route via Kincaid is paradoxical, since ATXI itself now proposes to use a

segment of Staff's alternative route as part of its proposed Modified Route from Pana to Mt. Zion. (ATXI IB, 30-34.)

2. Pawnee-Mt. Zion Via Pana

a. Pawnee-Pana (including Ramey/Raynolds Option)

ATXI continues to support the ATXI Alternate 2 Route for this segment. (ATXI IB, 24-30.) As explained above, an alternative route via Kincaid would altogether eliminate the need for a Pawnee to Pana route segment. If the Commission grants ATXI a CPCN for a route segment between Pawnee and Pana, though Staff recommends it not do so, ATXI's Alternate 2 Route with the minor modification that Raynolds/Ramey propose should be adopted. (Staff IB, 16.)

b. Pana-Mt. Zion

In rehearing, ATXI now supports a route between Pana and Mt. Zion, referred to as the Modified Route, that would follow ATXI's Primary Route north from Pana until meeting Staff's alternative route, then follow Staff's alternative route to Staff's proposed Option 2 substation site. (ATXI IB, 30-31.) As noted, an alternative route via Kincaid would altogether eliminate the need for a Pana to Mt. Zion route segment. If, however, the Commission does not adopt a route from Pawnee to Mt. Zion via Kincaid, ATXI's Modified Route appears least objectionable. (Staff IB, 17-18.)

The following caveat should be noted, however: Staff continues to support a location for the Mt. Zion area substation near Moweaqua, identified as substation site Option #3, regardless of whether or not the Commission determines that ATXI should route its transmission line from Kincaid or from Pana. Use of substation site Option #3 would provide an existing AIC 138 kV connection between ATXI's 345/138 kV

transformer and the Decatur area to provide immediate voltage support and provide a 345 kV source for additional 138 kV connections, as needed. (Staff IB, 9-11.) Since ATXI's Primary Route from Pana connects to this site, the site is along ATXI's Modified Route from Pana to Mt. Zion as well as ATXI's Primary Route from Pana to Mt. Zion, and Staff's alternative route from Kincaid to Mt. Zion. (Staff Ex. 2.0, Attachment A.) If the Commission were to order ATXI to route its 345 kV transmission line from Pawnee to Pana to Mt. Zion, though Staff recommends a routing via Kincaid instead, rather than parallel AIC's 138 kV transmission line running north of Pana, ATXI could replace it with 345 kV facilities between Pana and the Option #3 site, dramatically reducing impacts to landowners. (Staff IB, 9.) AIC's existing 138 kV line extending north from the Option #3 substation site to Decatur would provide immediate voltage support for the Decatur area.

D. Mt. Zion-Kansas

ATXI now recommends use of a route connecting Staff's substation site Option #2 to Kansas using a combination of its original Primary Route between Mt. Zion and Kansas, and MCPO's alternative route MZK between Mt. Zion and Kansas. (ATXI IB, 31 and 35.) ATXI identifies the route it recommends as Stipulated Route or Route MZK-2. (ATXI IB, 35.) The primary reason the Commission should approve ATXI's Stipulated Route over the hybrid routes is that there are fewer residences in close proximity. (Staff IB, 21.) While individuals might not agree on which residences would be impacted, 15 residences have been identified as being affected by the two proposed hybrid routes between Mt. Zion and Kansas that use a combination of ATXI's Primary

and Alternate Routes. (Tr. 363; Staff IB, 22-23.) Only three residences have been identified along ATXI's stipulated route. (Tr. 363.)

V. Certificate for Other Substations

A. Resolved

1. Kansas Substation Site
2. Sidney Substation Site
3. Rising Substation Site

B. Contested

1. Ipava Substation Site

ATXI continues to seek approval to construct an entire new substation east of the existing AIC substation and Staff continues to object to ATXI's request. (ATXI IB, 43-44.) ATXI states it would initially install a four position ring bus at its new substation. Id. A four-position ring bus could instead be installed at AIC's existing substation. (Staff IB, 24.) Staff's recommendation of terminating ATXI's 345 kV transmission line at AIC's existing substation rather than at a new ATXI substation would provide a spare 345 kV position for some yet undetermined potential future need. (Staff Ex. 3.0, 12-13.) ATXI seeks to instead construct an entirely new substation east of AIC's existing Ipava Substation that could be expanded to a 6-position breaker-and-a-half configuration and thus provide up to three spare 345 kV positions for yet undetermined potential future needs. (ATXI IB, 43-44.) ATXI's only justification for including the unnecessary new substation as part of the Illinois Rivers Project is that, though there presently is no known need, expansion to more than four positions may someday be necessary and it would be more economical to construct a six position bust structure now. (Id.) The

Commission should not approve ATXI's construction of an entirely new substation at Ipava that is unnecessary now and for which there is no known or foreseeable future need.

2. Pana Substation Site

VI. Conclusion

Staff recommends that the Commission grant ATXI a CPCN consistent with the limitations and qualifications expressed by the Staff in this Reply Brief. Specifically, with respect to the segment of ATXI's proposed 345 kV transmission line between Pawnee and Mt. Zion, Staff recommends that the Commission not change its finding from its August 20, 2013, Final Order, or in the alternative, grant ATXI a CPCN to construct its transmission line via Kincaid.

WHEREFORE Staff of the Illinois Commerce Commission respectfully requests that its recommendations be adopted in their entirety consistent with the arguments set forth herein.

Respectfully submitted,

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